

FISCAL UPDATE News Article

Fiscal Services Division
June 20, 2016



EXECUTIVE COUNCIL MEETING

Meeting. The Executive Council met on Monday, June 20, 2016. The following are highlighted agenda items approved by the Council:

- The Iowa Department of Human Services requested the Executive Council approve additional funds totaling \$4,630 for the Clinton County high wind incident from March 2016. This brought the total amount for the incident to \$24,630 and closed out the incident. The money is used by individuals or families to replace/repair items affected by the disaster emergency that cannot be met by other means of financial assistance pursuant to House File 896, section 1 (Disaster Grant Fund Act).
- A total reimbursement of \$81,950 was approved for 25 periodic city examinations conducted by five CPA firms as required by <u>Chapter 11</u> of the Code of Iowa.
- The lowa Armory Board requested the transfer of 1.44 acres of real estate to the City of Sioux City, lowa, to be used as the right-of-way for a city-owned roadway along the eastern edge of the Sioux City Army National Guard Armory and Field Maintenance Shop site. lowa Code section 29A.57(2) allows state property under the control of the Armory Board to be sold or exchanged on recommendation of the Armory Board with the approval of the Executive Council. To offset the impact of the transfer, the City has provided a 20-year, no-fee, renewable lease to the State of lowa on 2.5 acres of city-owned land located along the south side of the National Guard site. The land titles have been cleared and the Executive Council approved the action.
- The Department of Revenue requested that the Executive Council transfer funds to the Litigation Expense Fund to pay anticipated litigation expenses for the next fiscal year. This Fund is used to pay for litigation expenses incurred by the state to defend property valuations established by the Director of Revenue pursuant to Lowa Code section 441.73(1). Litigation anticipated for FY 2017 includes Buckeye Pipeline Transport challenging the assessments for the 2013, 2014, and 2015 assessment years. The balance in the Fund is capped by statute and cannot exceed \$700,000. The Department of Revenue estimates the current balance carryforward from FY 2016 to be approximately \$355,000. An additional amount of \$345,000 was recommended to be transferred into the Litigation Expense Fund for FY 2017 from the following sources:
 - o 78.0% or \$269,100 from the Homestead Tax Credit Fund under lowa Code section 425.1.
 - 22.0% or \$75,900 from the Agricultural Land Credit Fund under lowa Code section 426.1.

Additional Information. Additional information is available from the Legislative Services Agency upon request.

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